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## Agenda Item 4

November 14, 2011

### TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. **SUBJECT:** Program Review
- II. **PROGRAM:** Global Fixed Income
- III. **RECOMMENDATION:** Approve one-year renewal for sixteen investment external manager contracts.
- IV. **ANALYSIS:**

This agenda item provides an annual review of the Global Fixed Income program including recent accomplishments, performance, key strategies, and initiatives. Staff also requests one-year contract extensions for the Global Fixed Income external managers. These contracts have renewable extensions without termination dates, contingent upon Investment Committee approval. CalPERS can terminate these agreements at any time upon 30 days notice. Attached are the following documents:

- Attachment 1 – Global Fixed Income Program Review
- Attachment 2 – Global Fixed Income External Manager Returns
- Attachment 3 – Wilshire Associates' Opinion Letter
- Attachment 4 – Wilshire Associates' Disclosure Letter

### **Recommendations**

Approve one-year contract renewals for:

#### *International Fixed Income Managers*

- Alliance Bernstein L.P.
- Barings Asset Management
- PIMCO
- Rogge Global Partners

#### *U.S. High Yield Managers*

- Nomura

- PIMCO
- Columbia High Yield
- Columbia Loans
- Artio Global
- JP Morgan
- Logan Circle
- Putnum
- TCW
- ING Loans

*Currency Managers*

- Pareto Investment Management Ltd.
- State Street Global Advisors

**V. RISKS**

- Failure to achieve desired outcomes/benefits.
- Risk that external managers fail to deliver results.
- Changes in economic environment
- Potential lost opportunities for investment returns

**VI. STRATEGIC PLAN:**

These initiatives address multiple CalPERS Strategic Plan Goals including:

- Goal I to exercise global leadership to ensure the sustainability of CalPERS pension and health benefit systems.
- Goal IX to achieve long-term, sustainable, risk adjusted returns.

**VII. RESULTS/COSTS:**

There are no additional costs associated with this item.

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